

DUTY FREE PHILIPPINES CORPORATION (DFPC)

	Component				Baseline Data		Target		
	Objective/Measure	Formula	Weight	Rating System	2016	2017	2018	2019	
SOCIAL IMPACT	SO 1	Showcase Premium Local Products to International Travelers							
	SM 1	Increase Percentage Sales of Local Products	Sales from Local Products/Total Sales	5%	(Actual / Target) x Weight	1.00%	2.90%	3.00%	3.50%
	SO 2	Contribute to Tourism Programs and Projects							
	SM 2	Percentage of Net Profit Remitted to Department of Tourism	Amount of fund remitted to DOT / Applicable year's Net Profit	10%	All or Nothing	-	-	₱95 Million	At least 50% of previous year's net profit
		<b>Sub-total</b>		<b>15%</b>					
FINANCE	SO 3	Achieve Continuous Growth and Sustainability							
	SM 3	Increase Total Revenues	Absolute Amount	10%	\$280 Million and Above = 10% \$254 Million to \$279 Million = 8% \$229 Million to \$253 Million = 5% Less than \$229 Million = 0%	\$218.23 Million	\$213.57 Million	\$260 Million	\$280 Million
	SM 4	Improve EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)	Absolute Amount	10%	₱265 Million and Above = 10% ₱215 Million to ₱264 Million = 8% ₱165 Million to ₱214 Million = 5% Less than ₱165 Million = 0%	₱165.15 Million	₱171.16 Million	₱205 Million	₱265 Million

Component					Baseline Data		Target		
	Objective/Measure	Formula	Weight	Rating System	2016	2017	2018	2019	
	SM 5	Improve Budget Utilization Rate	Total Obligations (net of PS) / Total DBM-Approved COB (net of PS)	5%	All or Nothing	85.00%	90.07%	Not less than 90% but not more than 100%	Not less than 90% but not more than 100%
		<b>Sub-total</b>		<b>25%</b>					
<b>CUSTOMERS</b>	<b>SO 4</b>	<b>Enhance the DFPC Brand as a Standard for Quality and Sustainable Shopping Experience</b>							
	SM 6	Improve Top of Mind Awareness Rating (Market Survey)	Absolute figure	5%	All or Nothing	-	-	Establish Baseline	Baseline + 1%
	SM 7	<b>Percentage of Satisfied Customer</b>							
		Increase Rating on Overall Customer Satisfaction Survey	Total Number of Respondents who gave a Rating of at least Satisfactory / Total Number of Respondents	7.5%	(Actual / Target) x Weight If less than 90% = 0%	-	49%	93.50%	94%
		Increase Rating on Availability of Promo Items		2.5%		-	46%	93.50%	94%
		Increase Rating on Value for Money of Products		2.5%		-	49%	93.50%	94%
	Increase Rating on Competitive Prices	2.5%		-		45%	91.50%	92%	
	<b>SO 5</b>	<b>Address Customer Needs and Expectations</b>							
	SM 8	Increase Market Penetration Rate	Customer Count / Total International Travelers (Arrivals and Departures)	10%	(Actual / Target) x Weight If less than 8% = 0%	8%	-	10%	11%
	SM 9	Increase Average Purchase per Customer	Total Dollar Net Sales / Total Pax Count	10%	(Actual / Target) x Weight If less than \$114 = 0%	\$125.94	\$114.03	\$140	\$150
		<b>Sub-total</b>		<b>40%</b>					

	Component				Baseline Data		Target		
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INTERNAL PROCESS	<b>SO 6</b>	<b>Enhance Marketing Strategies</b>							
	SM 10	Ensure Positive Return on Marketing Investment	(Current Year's Gross Profit on Sales – Previous Year's Gross Profit on Sales) / Previous Year's Marketing Investments	5%	(Actual / Target) x Weight If less than 140% = 0%	-	-	140%	703%
	SM 11	Improve Business Model	Actual Accomplishment	5%	All or Nothing	-	-	Acceptance by Project Study Committee (PPP Center, DFPC and DOT) of Feasibility Study and Market Sounding Report	Instruction to Bidders including Draft Concessions Agreement
	<b>SO 7</b>	<b>Enhance Quality Management System</b>							
	SM 12	Attain ISO 9001:2015 Certification	Actual Accomplishment	5%	All or Nothing	ISO 9001:2008 Certification Maintained	ISO 9001:2015 on all sites, all processes	Pass Surveillance Audit for ISO 9001:2015	Pass Surveillance Audit for ISO 9001:2015 for all sites and processes
		<b>Sub-total</b>		<b>15%</b>					
LEARNING & GROWTH	<b>SO 8</b>	<b>Build a Team of Highly Motivated, Competent and Productive Employees</b>							
	SM 13	Increase Human Capital Value Added (HCVA)	[(Net Income + Personnel Cost <sup>1</sup> ) / Total Number of Employees]	5%	(Actual / Target) x Weight	₱686,032	₱704,216	₱61,000 <sup>2</sup>	₱838,840
		<b>Sub-total</b>		<b>5%</b>					
	<b>TOTAL</b>		<b>100%</b>						

<sup>1</sup> Sum of Personal Services (PS) Cost and Salaries and Wages for Job Order and Contract of Service Employees

<sup>2</sup> Target was divided by 12 to reflect monthly HCVA.